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PREMIUM COLLECTIONS AT

3,500,000 MARK JAN. 16 On January 16, with premium collections from the spring wheat area just starting to come in, the total payments received in the branch offices of the Corporation amounted to approximately 3,500,000 bushels representing collections from over 100,000 wheat growers.

Latest data available from the branch offices indicate that from a total of 1,214 counties 254,251 applications have been received, 240,308 premium notices issued, 112,557 premiums received, and that 101,759 policies have been issued. The wheat reserve on January 16 reached nearly 3½ million bushels. Of this amount 2.9 million bushels are to the credit of the Kansas City branch office, 547,500 to Minneapolis, and 30,000 to Washington.

Of the spring wheat states, Minnesota heads the list for policies issued with 2,503. Missouri continues to lead all other states for applications sent to the branch office and for policies issued with 31,686 and 14,876 respectively. The table on page 2 shows the status of the program through January 6.

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KANSAS WHEAT FARMER SEES

MERITS OF CROP INSURANCE

Henry Torluemke, a wheat grower of Decatur County, Kans., has the crop insurance program sized up just about right. In a letter to W. A. Talbot, manager of the Kansas City branch office he says, in part:

"I have grown wheat near Oberlin, Decatur County, northwest Kansas, for 33 years. We have raised a lot of very fine wheat crops during that time. However, now and then we have failures or light crops, due mostly to droughts and hot winds. It is in years like this that your Insurance Corporation renders such valuable service to the farmer, in that it enables him to meet his obligations and keep his credit sound. Especially is this true with young farmers because it enables them to keep going.

"My oldest son and I have been in the Federal Farm Program since it started, and this fall we also took the Federal Insurance on our crop. Nearly all the successful farmers in our community did the same. My son and I practice the modern methods of wheat farming -- summer fallowing, damming, and contour farming -- since this also makes the insurance premium less . . ."

COMBINED REPORT OF BRANCH OFFICES

Through January 6, 1939

STATE	Applica- tions Received	Premium Notices Issued	Premiums Received	Premiums Received	Policies Issued	Number of Counties
Percent						
<u>WASHINGTON BR.</u>						
Delaware	170	166	71	42.7	68	3
Maryland	1,546	1,498	838	59.2	813	13
New Jersey	32	2	2	100.0	2	1
New York	813	807	484	59.9	413	18
Pennsylvania	3,507	3,386	1,555	45.9	1,193	26
Virginia	1,376	1,354	824	60.8	748	13
West Virginia	2	2	1	50.0	1	2
TOTAL	7,446	7,215	3,825	53.0	3,238	76
<u>KANSAS CITY BR.</u>						
Ohio	25,273	24,997	10,288	41.1	9,744	88
Indiana	18,015	17,743	11,104	62.5	10,283	89
Illinois	21,878	21,590	12,184	56.4	11,467	104
Michigan	9,727	9,549	5,072	53.1	4,459	39
Iowa	6,805	6,670	4,598	68.9	4,228	55
Missouri	31,686	31,342	15,959	50.9	14,876	112
Nebraska	29,106	28,579	12,728	44.5	11,520	78
Kansas	26,702	26,218	14,799	56.4	13,767	105
Oklahoma	13,275	13,166	8,592	65.2	7,953	51
Texas	6,049	5,932	3,677	61.9	3,214	70
Idaho (South)	897	748	212	28.3	134	17
Wyoming	722	682	214	31.3	171	10
Colorado	4,057	3,948	762	19.3	609	29
New Mexico	416	410	108	26.3	99	5
Utah	746	582	374	64.2	259	13
California	253	113	62	54.8	33	10
TOTAL	195,607	192,269	100,707	52.3	92,816	875
<u>MINNEAPOLIS BR.</u>						
Wisconsin	228	223	150	57.2	140	14
Minnesota	10,919	9,459	2,996	31.6	2,503	62
North Dakota	21,764	16,453	1,465	8.9	728	53
South Dakota	11,572	9,849	1,250	12.6	839	64
Montana	3,245	2,490	1,116	44.8	772	38
Idaho (North)	1,362	1,129	576	51.0	444	8
Washington	1,179	738	245	33.1	141	14
Oregon	629	483	227	46.9	138	10
TOTAL	50,898	40,824	8,025	19.6	5,705	263
WASHINGTON TOTAL	7,446	7,215	3,825	53.0	3,238	76
KANSAS CITY "	195,607	192,269	100,707	52.3	92,816	875
MINNEAPOLIS "	50,898	40,824	8,025	19.6	5,705	263
COMBINED TOTAL	254,251	240,308	112,557	46.8	101,759	1,214

CROP INSURANCE HAS PLACE

IN NEW AAA WHEAT PROGRAM

How crop insurance fits into the new wheat program developed under the Agricultural Adjustment Act is explained in a recent mimeographed publication of the AAA entitled "The Wheat Problem and What the Farmer Can Do About It Through the AAA Farm Program." Crop insurance, the publication states, seeks to reduce the farmer's gamble against unavoidable hazards. Since losses are calculated in terms of wheat, the protection is given against yield rather than price declines.

Highlights of the publication are: United States wheat acreages in 1937 and 1938 were the largest in the history of the country. Wheat supplies for 1938 were over a billion bushels exceeded only in the history of the United States by the crops of 1915, 1919, and 1931. The 1938 world wheat crop is the largest on record creating a supply of a billion bushels in excess of world requirements. Large surpluses inevitably influence prices downward. United States wheat prices dropped from \$1.27 a bushel in April 1937 to 52 cents in November 1938. World wheat prices on the Liverpool market dropped from \$1.50 a bushel in April 1937 to 66½ cents in November 1938.

With the cooperation of the farmers the new wheat program is designed to meet the situation. The program includes, first, an acreage adjustment whereby the farmers by cooperative means can adjust production to requirements. Wheat acreage allotments have a two-fold objective in that enough wheat will be grown from the nation's farms to supply our needs, yet not so much as to undermine the farmers' standard of living.

Wheat storage loans will enable the farmer to get immediate income from his surplus wheat without waiting for a more favorable market. Loan rates to cooperating farmers range from 52 to 75 percent of parity permitting loans high enough to prevent price collapse. During the months of June, July and August of 1938, the Federal Surplus Commodity Corporation bought flour equivalent to 14 million bushels of wheat for distribution to persons on relief. The United States, through its export sales program, is taking aggressive action this year to export 100 million bushels of wheat which is considered our fair share of the world market. Marketing quotas to control excess supplies in emergencies can be provided. If the total supply of wheat for any marketing year exceeds normal domestic consumption and exports by more than 35 percent, a national marketing quota, subject to farmer approval, will go into effect.

Several courses of action are open to the individual farmer who wants to cooperate in bettering the wheat situation:

1. He can take out crop insurance on his wheat. This will help to stabilize his own operations and it will put part of the wheat surplus in the insurance reserve where it will not be a threat to the wheat market.
2. He can conserve his soil, building up the acres not in wheat so as to give him an "ever-normal granary" of fertility in the soil as well as a reserve in his bins.
3. He can seed within his wheat acreage allotments for 1939 and following years.
4. He can prevent declines in exports by supporting a reasonable loan policy which does not peg United States prices above world prices and so does not build up a new surplus in the United States.
5. If marketing quotas are needed in 1939, and are voted for by wheat producers, he can give these quotas a fair trial.

These are some of the things farmers themselves can do to make the new wheat program succeed.

CROP INSURANCE A FACTOR

TOWARD STABILIZED YIELD

Vance M. Rucker, marketing specialist for the Kansas State College Extension Service, makes the observation that no wheat on hand and an extremely high price followed by large supplies, or, having lots of wheat for sale with little or no market, has been the continual experience of the farmer of the world for centuries. This throws the force of the market from buyer to seller resulting in a jittery market condition.

Mr. Rucker says in effect that all-risk Federal crop insurance will tend to stabilize these factors by assuring the producer an average crop to sell every year. A guaranteed yield enables the producer to pay his farm operating expenses which ultimately improves the credit condition of the community as a whole. It should also help get away from some of the periods of low production and high prices, and periods of high production with the usual extremely low prices, because part of the wheat in large-yield years would be earmarked to guarantee production in years of low yields.

To show how crop insurance would have stabilized production in Kansas Mr. Rucker points out that during the past 75 years two or more low-yield years have occurred in succession 10 different times; three or more low-yield years, seven times; four or more low-yield years, five times, and five or more low-yield years, four times. Most farmers and businessmen can stand one low-yield year, but there is a high correlation between farmer failure and business house failure when low-yield years occur two, three, four, or five years in succession.

In the past the producer who did best was the one who was able to hold his grain over from high-yield-low-price periods to low-yield-high-price periods. Few have been able to do this. Under the present crop insurance plan the individual grower who insures his crop is protected by a group reserve whereby both he and the consumer will benefit.

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BRANCH OFFICE DATA SHOW

WIDE RANGE IN AVERAGES

An analysis has been made revealing average premium payments per application, insured acreage per application, and insured production per farm for all three branches of the Corporation. The insured average is 42 acres per farm for the United States, representing a guaranteed production of 303 bushels of wheat to sell in 1939, at a premium cost of 40 bushels. A composite average of course does not reflect the wide variation in the insurance coverage by regions and states.

These figures, as of November 30, show that premium payments per application range all the way from 6.34 bushels in Pennsylvania to 251.5 bushels in New Mexico. Insured acreage per application ranges from an average of 7.48 acres in Wisconsin to 149.1 acres in New Mexico. Insured production per farm runs the scale from 90.37 bushels for Wisconsin to 1,915.6 bushels for California.

The "insured production," or the production which the crop insurance policies guarantee, insure the farm against losses from unavoidable hazards, such as drought, hail, and rust, is based on 75 percent of the average annual yield for the farm and the insurer's interest in the crop. Thus, where farms are operated by tenants, the production insured may represent only the tenants'

or the landlords' interest in the crop and not the entire crop.

The following table gives complete data for all cooperating states. Attention is called to the fact that averages shown for the Kansas City branch are based on applications received while those for Minneapolis and Washington are based on premiums paid.

DATA SHOWING AVERAGES WITH RESPECT TO PREMIUMS PER APPLICATION,
INSURED ACREAGE PER APPLICATION, AND INSURED PRODUCTION PER FARM

KANSAS CITY (Based on Figures Through Nov. 30, 1938)

State	Applica- tions Received	Average Pre- mium Per Application	Average In- sured Acreage Per Application	Average In- sured Produc- tion Per Farm
		Bushels	Acres	Bushels
Ohio	24,445	17.0	17.1	210.2
Indiana	13,377	15.9	20.8	207.9
Illinois	20,906	19.3	30.1	264.9
Michigan	8,225	8.8	14.1	188.1
Iowa	5,887	17.6	23.7	239.6
Missouri	30,112	18.0	32.2	258.9
Nebraska	27,168	63.0	53.7	403.5
Kansas	24,334	73.0	79.5	526.8
Oklahoma	12,515	42.9	80.6	551.0
Texas	4,784	175.2	145.2	908.6
Idaho (South)	626	86.9	141.2	1,529.5
Wyoming	582	109.7	96.0	652.1
Colorado	3,660	109.5	93.8	525.0
New Mexico	386	251.5	149.1	901.3
Utah	415	59.5	84.0	1,199.2
California	105	67.9	139.1	1,915.6

MINNEAPOLIS Premiums
Paid

Wisconsin	125	7.35	7.48	90.37
Minnesota	2,281	16.21	23.54	241.41
North Dakota	391	76.85	78.53	561.41
South Dakota	799	56.05	36.50	244.04
Montana	561	96.67	94.07	756.25
Idaho (North)	382	44.77	75.14	1,316.62
Washington	95	39.56	73.43	1,120.10
Oregon	77	59.89	112.01	1,730.67

WASHINGTON Premiums
Paid

Delaware	65	9.71	20.97	264.84
Maryland	487	10.88	24.00	290.40
New York	203	7.00	11.01	178.82
Pennsylvania	425	6.34	13.08	180.00
Virginia	246	8.98	18.69	231.84
West Virginia	1	18.50	37.00	402.00

FCIC LISTS LOCATION AND AMOUNT OF WHEAT STORED

On January 7 the Corporation had acquired 3,377,496 bushels of wheat in payment of wheat crop insurance premiums it was announced recently in a Department of Agriculture press release. In accordance with the established policy of the Corporation, most of this wheat is stored in federally licensed warehouses and as far as possible, adjacent to the areas where premium collections originated. Because of the long-time feature of its storage, very favorable rates were secured, uniform throughout the country.

The locations and amounts of the Corporation's wheat reserves are as follows:

<u>Indiana</u>	<u>Bushels</u>	<u>Nebraska</u>	<u>Bushels</u>	<u>Oregon</u>	<u>Bushels</u>
Edenburgh	50,000	Columbus	7,000	Portland	15,000
Indianapolis	126,800	Cozad	2,000		
		Grand Island	70,000	<u>Tennessee</u>	
<u>Iowa</u>		Hastings	35,000	Nashville	10,000
Council Bluffs	80,000	Kearney	7,500		
		Omaha	325,000	<u>Texas</u>	
<u>Kansas</u>		Schuler	95,000	Amarillo	95,000
Arkansas City	95,000			Fort Worth	317,500
		<u>New York</u>		Wichita Falls	50,000
<u>Minnesota</u>		Buffalo	216,000		
Duluth	25,000			<u>Washington</u>	
Minneapolis &		<u>Oklahoma</u>		Vancouver	5,000
St. Paul	369,696	Cherokee	2,000		
		Enid	115,000		
<u>Missouri</u>		Homestead	10,000		
St. Louis	350,000	Ingersoll	6,000		
		Oklahoma City	141,000		

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KENT COUNTY FARMER INSURES

345 ACRES FOR 5,778 BUSHEL'S Arthur H. Brice, Kent County farmer near Betterton, Md., has placed himself in line to have not less than 5,778 bushels of wheat to sell in 1939. A cash premium in the amount of \$144.07 has just been received in the Washington branch office assuring Mr. Brice of this yield from his 345 acres of wheat. This is noteworthy since wheat acreages of this size in the East are the exception rather than the rule. The adjusted average yield for Mr. Brice's farm is 22.3 bushels an acre, the premium rate .60 bushel.

The second largest application in the eastern area was submitted by Andelot, Inc., of Worton, Md., also of Kent County. This Corporation has paid a cash premium of \$93 for an insured production of 3,334 bushels of wheat next year. Andelot, Inc., has planted 186 acres of wheat on which the average adjusted yield is 23.9 bushels, the premium rate .80 bushel per acre. Both of these farms paid for 75 percent coverage.

WHAT IS INSURANCE?

The Premium

When a crop insurance worker sits down with a wheat farmer and figures out from yield data and actuarial tables just how much the farmer will have to pay in order to get a crop insurance policy, he is using a modern refinement of a method that goes back into ancient history. In effect, he is answering the question: "What are the odds of crop failure on this farm?"

Since the time of the Romans, men have sought to reduce mere chance to a mathematical formula. The greatest contribution of the study of "odds", has been actuarial tables on which insurance is based. Once the "odds" are determined, it is possible for the insurer to know how much he must receive as premium, in order to assume a given amount of risk. History records some interesting facts in connection with the development of scientific methods of arriving at premium rates.

Not unusual is the fact that the first "odds" were based on the lives of men, resulting in the complex, but sound, tables of mortality by which today insurance firms can tell accurately how many men out of a thousand will die at various ages.

The first attempt to arrive at a law of mortality was made by the Romans. Their complex legal system, particularly their laws regarding the valuation of estates during a person's lifetime, necessitated some estimate of life's duration, and to meet this need they arbitrarily assumed that a person who lived to be thirty would probably live to sixty. A certain Praetorian Prefect, Ulpianus, was the first man to set up a table making distinctions between persons of different ages.

Edmund Halley, famous astronomer and predictor of the return of the comet which bears his name, designed the first scientific mortality table. Early in the 18th century, life insurance and the theory of annuities, in fact everything concerning laws of probability and chance, drew the attention of mathematicians of the day. Perhaps the best known of these mathematicians was Abraham De Moivre who in 1825 published his "Doctrine of Chances" which dealt with the valuation of annuities on lives. Some years later a vagrant genius by the name of Thomas Simpson turned his talents toward improving the mortality tables and analyses of Halley and De Moivre.

Simpson and James Dodson are given much of the credit for having established, in 1762, the first really scientific life insurance company, the Equitable. The early progress of the Equitable was due largely to the efforts of Rev. Richard Price, a friend to Washington, Franklin, and Jefferson. In fact it was Franklin to whom Rev. Price sent the first copy of his famous work on Reversionary Payments and Expectation of Lives. Most noteworthy perhaps of Rev. Price's contributions to the development of sound actuarial principles and tables of mortality was the inception by him of the level premium plan and the Northampton Tables of Mortality which were based upon the registers of the town of Northampton.

Mortality tables of more recent origin and of greater practical use have been compiled from actual records of insurance companies. For example, the actuary of the Equitable based on the experience of that company from 1762 to 1829; the "Actuaries" table of 1843, which until recently was the legal standard for many of our states; and the American Experience Table which came into use in 1868 and has become the legal standard for practically all American life insurance companies.



TATE

SUPERVISOR

KETCHES

Under the supervision of Paul E. Nystrom, more than 1,500 Maryland wheat growers have applied for insurance on their 1939 crop. Nearly 60 percent of the applicants to whom premium notices were sent have responded by sending in their premium payments. Latest figures show that 886 policies have been issued in Maryland insuring, as of December 31, 19,680 acres of wheat for a total production of 244,085 bushels.

At the present time Nystrom calls College Park, Md., his home even though he began life in 1901 in San Jose, Calif., and was reared on a farm near Turlock of that State. Before coming East he received his bachelor of science degree from the University of California. He obtained his master's degree from the University of Maryland, and later was an extension economist, assistant county agent leader, and State extension service staff member for the same University. In 1930 Nystrom acted as a field agent of the Federal Farm Board. He has more recently gone from State Agent of the AAA program in Maryland to State executive officer of the ACP to state crop insurance supervisor.

* * * *

Floyd B. Himes, state crop insurance supervisor for Michigan, was born in Gratiot County, Mich., July 21, 1893. Reared on a farm in Gratiot County he now lives in Perrinton, Mich. He received his B. S. degree from Michigan State College in 1917. Since then he has taught school, served as farmer-fieldman with the Michigan Agricultural Conservation Committee, chairman of the AAA County Committee, chairman of the Wheat Control Committee, and as a member of the State Grain Board. From 1930-37 he was supervisor and assessor for Fulton Township, and from 1934-38 he acted as chairman of the Gratiot County Welfare Commission.

Latest figures available indicate that nearly 10,000 wheat growers in Michigan have applied for insurance on their 1939 crop. Five thousand fifty-nine premiums were received in response to 9,549 premium notices issued. Approximately 4,100 applications have matured into policies insuring nearly 44,322 acres for an insured production of 642,454.06 bushels.

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INSURED GROWERS ASKING

ABOUT LOSS ADJUSTMENTS

Requests for information on adjustment procedure are coming to the Kansas State office of the Corporation. Policyholders who believe they have a substantial or total loss are directing their inquiries to the county offices.

The wheat condition on December 1 as reported by H. L. Collins, agricultural statistician for the State, is 61 percent as compared with 72 percent last December and 76.3 percent for the 10-year average, 1926-35. Forty-four Kansas counties with 6,313 policies report winter wheat conditions of less than 61 percent. With this condition existing throughout the State, numerous inquiries on adjustments are expected. In most cases it is believed that losses or decreased yields will be caused by wind erosion and winter-killing. One case has been reported where the jack rabbits are destroying the wheat by pulling it up which is plausible enough since a large portion of wheat in the State has very little, if any, secondary root system.

HOPPER OUTLOOK BETTER FOR NEBRASKA IN 1939

Grasshopper infestation of the 1939 wheat crop in Nebraska may be less than last year says O. S. Bare, extension entomologist at the University of Nebraska as the grasshopper egg survey of last October showed a reduction of approximately 15 percent in the number of grasshopper eggs as compared with the survey of a year earlier. He further states that the migratory grasshopper, which does most of the damage to winter wheat in Nebraska, has showed a decided falling off in numbers in the eastern two-thirds of the State. "Damage by it to the young fall sown wheat was less than 25 percent as great during the past fall as it was during the fall of 1937. Except in exceptional seasons grasshoppers do not do a great deal of damage to Nebraska wheat during the spring months. Some damage occurs from the migratory grasshopper when it is necessary to allow ripened wheat to stand for some time before cutting. Considerable of such damage occurred in the southwestern quarter of the State in 1938."

The report goes on to say that winter wheat in the western two-thirds of Nebraska is not in good condition, the crop statistician rating it at about 70 percent on December 30. This, it is claimed, is due mainly to dry weather conditions and loose topsoil which prevented full development of the root system and also led to damage by root insects to the existing weak root system. "Just how serious this damage will be cannot be foretold with any degree of accuracy at the present time. The Hessian fly is conspicuous mainly by its absence at the present time, and little or no damage is expected by it on the 1939 crop."

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U. S. PERCENTAGE GAIN LARGEST IN WHEAT EXPORTS TO BRITAIN

Largest gains in wheat exported to Great Britain, were made by the United States for the four months ending November 30, 1938. For this period United States exports gained 68 percent over its exports for the same four months in 1937.

Net gain of all Great Britain's wheat imports for that period was 16 2/3 percent. Next to the United States in percentage gains was Canada, which supplies nearly one-third of the Mother Country's imported wheat. Canada showed a gain of 39 percent, or 7,937,000 bushels for the four months, over the 19,968,000 bushels Canada sent to Great Britain for the same period in 1937. Australia's exports to Great Britain gained 18 percent. India's exports dropped 37 percent and Rumania's, 40 percent.

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THEIR POLICIES REMOVE

A MAIN EXPENSE WORRY Crop insurance has helped to bring "social security" to one elderly Kansas couple. The major portion of their income is derived from a half section of land which they own in the west central part of the State. They informed their AAA county committeeman that they were able to manage very nicely except when they had partial or total crop failures. When their crops failed they had to follow a program of strict economy at home in order to pay taxes on the land. They are delighted with crop insurance because, as they say, "We will not have to worry any more about how to pay our taxes."

BANKS AND FSA TO FINANCE

PREMIUM PAYMENTS IN S. D. Between 50 and 65 percent of South Dakota's applications for crop insurance probably will mature into policies, Leo McManus, state crop insurance supervisor, predicts. His estimate was made after action was taken in prevailing upon banks and the Farm Security Administration to finance payments of premiums in many cases.

"I believe we are going to get very good cooperation from the local banks in many counties," says Mr. McManus. "I personally contacted all of the banks in the north-central part of the State and have had the assurance in most every case that they would loan money to applicants they considered good moral risks by taking both the FCI assignment and the ACP assignment.

"One banker sent a letter to all of the farmers on his mailing list informing them his bank was in a position to make loans to farmers for paying crop insurance premiums and in fact his letter encouraged crop insurance. We have had our county office make up a list of all of the applicants and take this list to the bank, asking them to go over the list and check off the names of those who could receive credit at their bank. The same list has been taken to the Farm Security offices. This puts the county crop insurance supervisor in a position, when contacting the applicant, to inform him that credit is available in the event that his reason for not paying his premium is because of the lack of credit."

One banker, Mr. McManus said, declared that when he made loans to farmers for payment of insurance premiums, he was going to inform borrowers that if they felt additional credit was going to be needed this year to carry on their farming, that it would be advisable to make the assignments accordingly.

"In other words," said Mr. McManus, "with the FCI and ACP assignments, the banker would agree with the borrower as to how much credit he could extend and this money would be available to the farmer any time during the season."

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CROP INCOME OF 21,000 N. D.

GROWERS MAY BE \$14,830,605 North Dakota wheat growers will have a minimum guaranteed income this fall of \$14,830,605 if about half of the 40,000 or more applications for crop insurance materialize into policies, N. D. Gorman, state crop insurance supervisor estimates. About 21,000 applications in that State account for requests for insurance on about 3,135,346 acres. This, Mr. Gorman says, would insure production of more than 24,000,000 bushels if all premiums on these applications are paid.

"It is interesting to note," says Mr. Gorman, "that using the present loan value and assuming these applications would mature into policies, they would involve a guaranteed income to North Dakota farmers of \$14,830,605."

Several of the State's leading wheat-producing counties have returned applications exceeding the 1,000-acre mark. They include Ramsey County with 1,484; Pembina, 1,476; Pierce, 1,323, and Cavalier, Cass, Dickey, Traill, Walsh, and Ward. Concerning these applications, Mr. Gorman says:

"It is particularly gratifying to note that while several of these counties are in the area with relatively favorable coverage and loss costs some of them are located well toward the western part of the State where the risk is higher and consequently insurance is not so attractive."

FRASER EXPLAINS INSURANCE

TO MULTIPLE FARM OWNERS: In a statement for publication in insurance magazines, J. H. Fraser, manager of the Minneapolis Branch office, pointed out that Federal Crop Insurance was one way to change losses to profits for institutional landlords of wheat farm properties. "An insured wheat crop," he said, "means money assurance to such institutional landlords as insurance companies and banking houses. Crop insurance will assure overhead expenses and will also bring a return on contract sales without gambling on a tenant's success before collecting the annual installment."

Mr. Fraser further pointed out that in the spring wheat region alone, consisting of Wisconsin, Minnesota, the two Dakotas, Montana, northern Idaho, Oregon, and Washington, some 25 large institutional landlords, involving nearly 10,000 farms, have applied or are in the process of applying for crop insurance on their properties. He stated that the all-risk feature of the policy, which guarantees a harvest despite losses from drought, grasshoppers, hail, fire, floods, storms, tornadoes, winter-kill, rust, and all other unavoidable causes, should also stimulate land sales. Crop insurance eliminates some of the risk involved in selling land on crop shares. It is gratifying assurance that under such a contract the seller is certain to get a return every year from the buyer, or, if the crop is a failure, from the Federal Crop Insurance Corporation, which guarantees both buyer and seller a yield return.

During the first year of operation, Mr. Fraser observed, more than 250,000 farmers applied for crop insurance. That figure does not include the thousands of spring wheat growers who have not yet applied and for whom no deadline on acceptance of applications has been set. On December 15, more than 3,000,000 bushels of wheat were in storage, the bulk of which is from the winter wheat belt.

The insured spring wheat acreage on December 15, totaled 288,562 acres representing farms ranging from a few acres to 7,000 acres in size. These protected acres represent a yield of not less than 2,831,029 bushels to spring wheat growers in 1939 at a cost of 264,837 bushels paid in as premiums. The average spring wheat premium so far is 64 bushels for an insured production of 721 bushels. The average policy covers 70 acres. The above figures on insured acreage do not include 4,250,000 acres under 50,000 applications yet to be acted upon by the Minneapolis branch office.

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PROSPECTS GOOD IN OREGON

FOR SPRING WHEAT INSURANCE: Prospects for spring wheat applications in Oregon are good State Crop Insurance Supervisor Clyde L. Kiddle reports. He plans to hold several district meetings immediately preparatory to launching a concerted campaign in spring wheat counties where field work was deferred pending completion of work on winter wheat applications. Winter wheat conditions in Oregon are very good in most places, Mr. Kiddle reports. There has been plenty of moisture and, so far, not too severe weather. Mr. Kiddle has urged supervisors in the Columbia River Basin wheat counties and the eastern Oregon wheat counties to concentrate on premium collections, gathering data for inspection reports, and taking applications for spring wheat.

MONTANA BANKER COMMENDS

CROP INSURANCE PROGRAM The Bank of Baker, Montana, is a strong believer in Federal Crop Insurance. L. K. Hills, vice president, says the cooperation that bank has given the FCIC Montana office is the best answer to its attitude toward the program.

"We are strong believers in insurance with respect to all insurable hazards," Mr. Hills writes. "If crop production risks are covered over a nation-wide area, we can see no reason why such insurance cannot be soundly written. It appealed to us as a very worthy program and justified a thorough trial. If such insurance can be written on a self-sustaining basis and at a reasonable premium charge, certainly the plan should be successful. From a banker's viewpoint, we feel that policies covering crops with proper assignment to the bank offer very ample protection in connection with chattel mortgages given for loans for the payment of premiums. As you know, we have furnished premium funds for many of your policyholders this season.

"Assuming that adjustments of losses are handled in a reasonable and practical manner, I am sure that your present policyholders will be well pleased with the service your office has rendered."

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COUNTY PROGRESS REPORTS

SPUR FIELD ACTION IN N. D. North Dakota keeps all counties informed as to the progress of the crop insurance program in that state. "We feel that this report has provided some of the counties with an incentive to improve their showing," says State Supervisor N. D. Gorman. The report enables the counties to compare their progress with other districts. It shows the number of applications written in the county; the number in the county office; the number in the State office, and the number transmitted to the branch office. It also shows the number of premium notices issued and premiums paid.

Mr. Gorman reports that North Dakota also is compiling a cost analysis statement by counties. "This has assisted us materially in determining which counties the costs for certain items were excessive and in many cases has aided us in correcting the situation."

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5 OREGON POLICIES INSURE

35 TIMES COST OF PREMIUMS Five Oregon wheat growers stand to earn about 35 times the cost of their crop insurance policies should they suffer a crop failure this year, a study of some of the larger applications in Umatilla County shows.

All together, the five applicants would pay about 2,950 bushels of wheat in return for a guaranteed production of 102,364 bushels. Roy Rew has insured the largest acreage of the five farmers, 1,384.9 on which a 632-bushel premium has been paid for a guaranteed production of 24,438 bushels. A. H. McIntyre has the largest insured production, however, 25,322 bushels, which cost him 539 bushels and 15 pounds of wheat. His acreage was 1,045.5.

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The State office at Fargo, N. Dak., is clearing between 500 and 800 applications a day. About 27,000 already have been sent to the branch office with more than 11,000 yet to come.